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C O N F I D E N T I A L SECTION 01 OF 02 MUSCAT 000369

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STATE FOR P AND NEA

E.O. 12958: DECL: 04/16/2017

TAGS: PREL IR MU

SUBJECT: OMANI FOREIGN MINISTER CLAIMS IRANIAN PRESIDENT OVERRULED IN RELEASE OF BRITISH CAPTIVES; RENEWED EFFORTS TO RESOLVE STANDOFF WITH UNSC

REF: MUSCAT 359 (NOTAL)

Classified By: Ambassador Gary A. Grappo per 1.5 (B and D).

## Summary

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11. (C) The unconditional release of the British sailors and marines by Iran earlier this month was ordered by Supreme Leader Khamenei over the strong objections of President Mahmud Ahmadi-Nejad, according to Omani Minister Responsible for Foreign Affairs Yusef bin Alawi. Bin Alawi told the Ambassador at an April 14 meeting at the MFA that the crisis pitted Iran's hardliners, including Ahmadi-Nejad and the IRGC, against moderates, apparently led by Expediency Council Chairman Rafsanjani with support from Supreme Council for National Security Secretary Ali Larijani. The minister saw the release as an important sign of the strengthened upper hand of moderates over Ahmadi-Nejad and a possible opportunity for addressing Iran's standoff with the UNSC over its nuclear program. Oman and the Swiss are independently exploring "new ideas" on this front. End Summary.

## Ahmadi-Nejad, Hardliners Overruled

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- 12. (C) Bin Alawi said that the internal debate in Tehran over the captives had pitted hardliners against moderate conservatives. The hardliners, led by Ahmadi-Nejad, argued for using the British sailors and marines as leverage or bargaining chips to secure concessions from the British and the West, e.g., a softening of UNSC sanctions or release of U.S.-held Iranians in Iraq. The moderates, allegedly led by Rafsanjani, claimed that any attempt to capitalize on the British hostages would redound negatively, likely earn widespread condemnation in the international community, cast Iran in worse political light vis a vis the UK, and ultimately fail to produce positive results. In the end, the moderates prevailed when even the Supreme Leader saw the futility of prolonging the crisis.
- ¶3. (C) Bin Alawi reported that during the crisis he had spoken frequently by phone with Larijani, who had "inserted" himself into the crisis shortly after it erupted and played a key role in its resolution, as opposed to the modest role of FM Motaki. He said that in his discussions with Larijani, as well as Foreign Minister Motaki, he had urged a quick release of the British and warned against trying to use them for political gain, arguing that such an attempt would antagonize the entire EU and likely lose Tehran whatever communication channels it had with the Europeans.

14. (C) Bin Alawi opined that the Iranians had misplayed the crisis from the beginning, probably because it had been hatched within the IRGC with little or no coordination or communication with other Iranian offices outside of the president's. As the crisis developed, the Iranian senior leadership became extremely sensitive to media reporting, both domestic and international, which, argued bin Alawi, is why they appealed to the UK government to lower the rhetoric and allow "reasonable minds" to deal with the matter. After the UK-Iran exchange of letters days before the sailors' release, the decision was made by Supreme Leader Khamenei to proceed with the release, over the objection of Ahmadi-Nejad. Bin Alawi concluded that this was another important sign of the Iranian president's declining fortunes and a hopeful sign for progress on the nuclear file.

## Looking for Ideas

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15. (C) The Minister also reported that the Omanis had learned of a recent Swiss initiative to work quietly to "help the Iranians look for new ideas" to address the ongoing standoff between the UN Security Council and Tehran over Iran's nuclear development program and enrichment. He said the Omanis had also wanted to explore this option and were trying to work with the Swiss. He emphasized that Oman was not looking to be a mediator but rather sought to "stimulate creative thinking" among moderates in Tehran. He noted in particular the potentially positive role Rafsanjani might now play after his "victory" in the UK hostage crisis. He promised to share with us any developments and welcomed suggestions from the U.S. side.

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## Comment

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16. (C) Bin Alawi hinted that Larijani's involvement may have been motivated by personal political gain as he detected gradually increasing "positive and forthcoming" responses from Larijani as the crisis played out. Larijani's role seemed to evolve as indications emerged that the hardliners had seriously blundered. Although he stopped short of saying how many times he and Larijani spoke throughout the incident, bin Alawi made it clear that he had regular and frequent contact with SNSC Secretary leading up to minutes before the announcement of the release. Such uncharacteristically active engagement by the Omanis in a matter not directly affecting their interests was undoubtedly a deliberate decision by the Omani leadership to help defuse a potentially serious conflict between a close strategic ally and important regional power and close neighbor. GRAPPO